



Senate

General Assembly

File No. 121

February Session, 2012

Substitute Senate Bill No. 236

Senate, March 27, 2012

The Committee on Human Services reported through SEN. MUSTO of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING REIMBURSEMENT OF EMERGENCY ROOM PHYSICIANS FOR TREATMENT OF MEDICAID RECIPIENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 17b-239 of the 2012 supplement
2 to the general statutes is repealed and the following is substituted in
3 lieu thereof (*Effective July 1, 2012*):

4 (d) The state shall also pay to such hospitals for each outpatient
5 clinic and emergency room visit a reasonable rate to be established
6 annually by the commissioner for each hospital, such rate to be
7 determined by the reasonable cost of such services. The Commissioner
8 of Social Services shall set and pay a separate and distinct rate for an
9 emergency room physician who (1) provides professional services to a
10 Medicaid beneficiary in the emergency room of a hospital, including
11 services provided on the same day the beneficiary is admitted to the
12 hospital, and (2) is not compensated by the hospital, either through a
13 salary or a percentage of fees, to provide such services in the hospital.
14 The rate paid by the commissioner for the emergency room physician's

15 professional services shall be paid separately from the rate paid to
16 such hospital for the emergency room visit. The emergency room visit
17 rates in effect June 30, 1991, shall remain in effect through June 30,
18 1993, except those which would have been decreased effective July 1,
19 1991, or July 1, 1992, shall be decreased. Nothing contained herein shall
20 authorize a payment by the state for such services to any hospital in
21 excess of the charges made by such hospital for comparable services to
22 the general public. For those outpatient hospital services paid on the
23 basis of a ratio of cost to charges, the ratios in effect June 30, 1991, shall
24 be reduced effective July 1, 1991, by the most recent annual increase in
25 the consumer price index for medical care. For those outpatient
26 hospital services paid on the basis of a ratio of cost to charges, the
27 ratios computed to be effective July 1, 1994, shall be reduced by the
28 most recent annual increase in the consumer price index for medical
29 care. The emergency room visit rates in effect June 30, 1994, shall
30 remain in effect through December 31, 1994. The Commissioner of
31 Social Services shall establish a fee schedule for outpatient hospital
32 services to be effective on and after January 1, 1995, and may annually
33 modify such fee schedule if such modification is needed to ensure that
34 the conversion to an administrative services organization is cost
35 neutral to hospitals in the aggregate and ensures patient access.
36 Utilization shall not be a factor in determining cost neutrality. Except
37 with respect to the rate periods beginning July 1, 1999, and July 1, 2000,
38 such fee schedule shall be adjusted annually beginning July 1, 1996, to
39 reflect necessary increases in the cost of services. Notwithstanding the
40 provisions of this subsection, the fee schedule for the rate period
41 beginning July 1, 2000, shall be increased by ten and one-half per cent,
42 effective June 1, 2001. Notwithstanding the provisions of this
43 subsection, outpatient rates in effect as of June 30, 2003, shall remain in
44 effect through June 30, 2005. Effective July 1, 2006, subject to available
45 appropriations, the commissioner shall increase outpatient service fees
46 for services that may include clinic, emergency room, magnetic
47 resonance imaging, and computerized axial tomography.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2012</i>	17b-239(d)
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HS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 13 \$	FY 14 \$
Social Services, Dept.	GF - Cost	Potential	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill clarifies Medicaid billing policies for instances when a physician provides services in an emergency room of a hospital. When such a physician does not receive a salary or percentage of fees from the hospital, the bill requires Medicaid to pay a rate that is separate and distinct from the rate provided to the hospital.

The impact of this provision will be dependent upon the physician and hospitals rates that are set, which are not specified in the bill and are at the discretion of the Department of Social Services. To the extent that the new physician rate, combined with the rate the hospital also receives, exceeds what Medicaid currently pays to the hospitals in these services, additional costs may result.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 236****AN ACT CONCERNING REIMBURSEMENT OF EMERGENCY ROOM PHYSICIANS FOR TREATMENT OF MEDICAID RECIPIENTS.****SUMMARY:**

The law requires the Department of Social Services commissioner to calculate annually and pay hospitals a “reasonable” rate for emergency room (ER) services provided to Medicaid beneficiaries. This bill requires him to set a separate and distinct rate for ER physicians who:

1. provide professional services to Medicaid beneficiaries in the ER, including services provided on the same day a beneficiary is hospitalized and
2. the hospital does not pay a salary or percentage of fees it collects.

The bill requires the commissioner to pay the rates for the ER physicians and hospitals separately.

EFFECTIVE DATE: July 1, 2012

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/13/2012)